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COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783 • TELEX 2357276
WRITER'S DIRECT DIAL NUMBER (202) 861-1504

June 22, 1993

Honorable Scott E. Thomas
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Attention: Jonathan A. Bernstein
Assistant General Counsel

Re: MUR 3774

Dear Chairman Thomas:

This letter and the accompanying materials are in response to a Federal Election Commission ("Commission") letter of May 20, 1993. The letter stated that the Commission had received a complaint which indicates that the American Defense Foundation ("ADF") may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). The Commission's letter was generated by a Complaint filed by the Democratic Senatorial Campaign Committee ("DSCC").

This response will clearly demonstrate that no further action should be taken against ADF in this matter.

American Defense Foundation

ADF is a nonprofit corporation, organized and existing under the laws of the Commonwealth of Virginia, created and operated exclusively for the promotion of social welfare within the meaning of § 501(c)(4) of the Internal Revenue Code of 1986, as amended.

As set forth in Article III of ADF's Articles of Incorporation, ADF seeks to inform and educate the American people on issues of national and worldwide importance, including veterans affairs and problems relating to prisoners of war and persons missing in action, and to encourage public dialogue on these issues. See Attachment 1. ADF's programs include a grass-roots advocacy project on national security issues, American military voter registration drives and a national speakers bureau. ADF does not support, endorse or oppose candidates or political parties. See Attachment 2.

Complaint

The Commission's regulations require that a Complaint filed with the Commission should: "(3) ...contain a clear and concise recitation of the facts which describe a violation of a statute or regulation over which the Commission has jurisdiction; and (4) It should be accompanied by any documentation supporting the facts alleged ..." ² The DSCC Complaint fails to contain a recitation of any facts which describe a violation by ADF of the Act or the Commission's regulations. The documents appended to the Complaint, ³ which are the sole documentation for allegations involving ADF, utterly fail to support any theory under which this organization has violated the Act or the Commission's regulations.

The DSCC Complaint makes the bold assertion in its first page that the "public record shows" that a "series of ostensibly nonprofit nonpartisan groups have undertaken a significant and sustained effort" to use soft money in federal elections in violations of the Act. ⁴ The sole recitation of facts purportedly supporting this conclusion as to ADF is:

"The ADF is a § 501(c)(3) organization; ⁵ ADF operated out of Alexandria, Virginia. The group takes positions on issues of interest to the

² 11 C.F.R. § 111.4(d)(3) & (4).

³ DSCC Exhibit 10.

⁴ DSCC Complaint, page 1.

⁵ This is wrong. ADF is a corporation organized and operated under § 501(c)(4) of the Internal Revenue Code. By letter dated August 23, 1983, the Internal Revenue Service issued ADF a determination letter confirming that status. See Attachment 3.

military (opposing gays in the military and the Clinton Administration cuts in defense budgets) and seeks to promote "public outreach," including voter registration and turn out among military personnel, both active and retired.⁶ Exhibit 10.

The ADF actively participated in the Georgia run-off encouraging voter turn out through public appearances by the organization's founder, Eugene McDaniel and through radio advertisements."⁷

ADF admits that it has encouraged voter registration and turn out among military personnel, both active and reserves. ADF admits that it has encouraged voter turn out through public appearances by the organization's founder Eugene McDaniel and through radio advertisements. These actions do not and never have constituted a violation of the Act or any other statute or regulation over which the Commission has jurisdiction. Encouraging civic participation in the American political process by armed forces personnel and their families is a principal purpose of ADF. The Commission's regulations explicitly recognize and permit a nonprofit organization such as ADF to conduct nonpartisan registration and get-out-the-vote activities.⁸

The "public record shows" no violation of the Act by ADF. ADF has made no contributions to any candidates for federal office. ADF has made no expenditures for the purpose of advocating the election or defeat of any federal candidates.⁹ ADF has conducted and continues to conduct nonpartisan registration and get-out-the-vote drives for all military personnel. ADF has never conducted a partisan registration or turn out program. ADF activity to encourage such participation has always been conducted in a nonpartisan manner. Consistent with prior efforts to encourage voter participation and registration by all of America's military personnel, ADF's activities in Georgia to encourage voter turn out through public appearances by the organization's founder, Eugene McDaniel, and through radio advertisements were conducted in a

⁶ This is wrong. ADF has no voter program for retired military.

⁷ DSCC Complaint, page 7.

⁸ 11 C.F.R. § 114.4 (c) (4).

⁹ See Affidavit of Eugene "Red" McDaniel. Attachment 2.

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completely nonpartisan manner. This is evidenced by DSCC Exhibit 10, which documents solely a nonpartisan program to encourage registration and voter turn out by military personnel.

As a threshold matter, the Commission must examine complaints to determine if a complaint alleges specific facts which, if true, are violations of the Act. The DSCC's specific allegations regarding ADF activities fail to describe a violation of the Act. "Encouraging voter turn out through public appearances by the organization's founder, Eugene McDaniel and through radio advertisements" and "encouraging voter registration and turn out among military personnel, both active and retired," are not violations of the Act. ADF does not violate the Act by taking "positions on issues of interest to the military." The freedom to discuss issues of public importance is protected by the First Amendment and, of course, has not been abrogated by the Act. The DSCC complaint cites not a single example where a communication of the ADF goes "beyond issue discussion to express electoral advocacy." Massachusetts Citizens for Life v. Federal Election Commission, 479 U.S. 238, 249 (1986). Merely reciting activities which are permissible under the law in the form of a complaint does not provide a vehicle on which the Commission can lawfully commence an investigation of an organization's activities.

Even without a response from ADF, there would be no reason to believe ADF violated the Act based on the DSCC Complaint and attached Exhibit 10, but the affidavits enclosed with this letter are categorical that ADF has conducted only nonpartisan registration and get-out-the-vote efforts among military personnel and their families. See Attachment 2. The DSCC's Complaint does not make any contrary allegation with respect to ADF.

ADF had no knowledge of or role in any activities of the National Right to Life Committee, Coalitions for America or the Good Government Committee in the 1992 Georgia elections. ADF has not coordinated any efforts with these organizations. The Complaint fails to provide a single example of coordination between ADF and any of these other unrelated nonprofit organizations.¹⁰ ADF does not know whether these other organizations "have strongly supported the Republican Party over time."¹¹ ADF has not strongly supported the Republican Party over time, ADF is nonpartisan. The DSCC Complaint provides the Commission with no example of a partisan ADF program.

¹⁰ DSCC Complaint, page 9.

¹¹ DSCC Complaint, page 4.

ADF's conduct of permitted programs during an election campaign period provides no basis to conclude that the programs were partisan. Such a conclusion would be absurd, all turn out and registration programs are conducted in conjunction with elections. That ADF received a donation from a partisan organization, the National Republican Senatorial Committee ("NRSC"), does not change two simple and decisive facts: (1) ADF has made no contribution to or expenditure for any federal candidate and (2) its voter registration and get-out-the-vote programs are nonpartisan. ADF has never endorsed a candidate or political party. The Act and the Commission's regulations neither prohibit nor limit the acceptance of donations from partisan organizations by nonprofit social welfare organizations for nonpartisan activities. ADF must be judged on its actions, not the imputed goals of a donor to the organization.

CONCLUSION

It is profoundly disheartening to realize that a representative of one of the two major political parties desires to discourage or block a nonpartisan program to encourage American military personnel to register and vote. Apparently some individuals at the DSCC have concluded that military personnel and their families are not worthy of encouragement to civic participation. It is difficult for ADF to believe that this attitude is an accurate reflection of the views of most leaders of the Democratic Party. During the course of ADF's programs and in part as a result of ADF's efforts, military participation in the American election process has increased from 49.7 percent in the 1980 Presidential election to 63.5 percent in the 1988 Presidential election.¹² These are numbers which most Americans would view with pleasure. ADF is confident that most Democratic members of the United States Senate similarly support ADF'S programs to encourage registration and voting. Respondent can only believe that this Complaint is a misguided effort to deflect criticism of the DSCC staffs' political or professional failures in Georgia. It would

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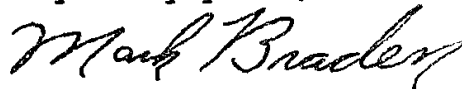
The Atlanta Journal Constitution, November 21, 1992, § B (Local News) at 3. (Quoting Eugene "Red" McDaniel, ADF's founder.) This article is representative of the "public record" pertaining to ADF included in the DSCC Complaint at Exhibit 10. Some post-election data show that this figure had increased to 81.1% in 1992.

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be more appropriate for the DSCC to make a donation to ADF than file a complaint at the Commission about ADF's programs.¹³

Since the complaint does not contain a recitation of facts regarding ADF which describe a violation of the Act or any Commission regulation, this Matter Under Review 3774 should be terminated without further action.

Very truly yours,



E. Mark Braden

EMB/bss
Attachments

¹³

ADF has requested a donation for its programs from the Democratic National Committee. See attached letter to Ron Brown, Chairman, Democratic National Committee. Attachment 4.

LIST OF ATTACHMENTS

1. Articles of Incorporation of ADF
2. Affidavit of Eugene "Red" McDaniel
3. IRS Determination Letter dated August 23, 1983
4. Letter to Ron Brown, Chairman, Democratic National Committee

ARTICLES OF INCORPORATION
OF
AMERICAN DEFENSE FOUNDATION, INC.

The undersigned, all of whom are citizens of the United States, hereby associate to form a Non-Profit, Non-Stock Corporation under the provisions of Chapter 2 of Title 13.1 of the Code of Virginia and to that end set forth the following:

ARTICLE I

The name of the corporation shall be American Defense Foundation, Inc.

ARTICLE II

The place in this state where the principal office of the corporation is to be located is Fairfax, Virginia.

ARTICLE III

Said corporation is organized exclusively for, and will be operated exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). To this end, the purpose or purposes for which the corporation is organized are as follows:

(a) To promote the social welfare of the United States by informing and educating the American people on issues of

national and worldwide importance, including, but not limited to veterans affairs and problems relating to prisoners of war and persons missing in action, and offering a public dialogue on these issues; and

(b) To present discussions, forums, panels, lectures and similar programs and to publish information in various forms relating to the purposes and issues specified in paragraph (a) above.

ARTICLE IV

The corporation is not a private foundation, and shall have the power to carry on business of any character whatsoever that is permitted by law and not required to be stated in these Articles, provided such activities are limited to the exercise of only such powers as are in furtherance of exempt purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). No part of the assets or net earnings of this Corporation shall ever be used, nor shall this Corporation ever be organized or operated, for purposes that do not exclusively promote social welfare within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1954.

ARTICLE V

The corporation is to have one and only one class of members, such class designated as members-at-large. The ini-

tial membership shall be limited to the initial Board of Directors whose names are set forth in Article VII hereof. Additional members may be admitted by a vote of existing members at the annual meeting of the members-at-large. Each member has equal voting rights, and will exercise such vote at the annual meeting of the members to elect or remove Directors.

ARTICLE VI

The post office address of the initial registered office of the corporation is 1750 Old Meadow Road, Suite 300 South, McLean, Virginia 22102, located in Fairfax County. The name of its original registered agent is William R. Chambers, Esquire, who is a resident of Virginia and a member of the Virginia State Bar and whose business address is the same as the address of the initial registered office of the corporation.

ARTICLE VII

The number of directors constituting the initial Board of Directors of the corporation is three (3) and the names and addresses, including street and number, if any, of the persons who are to serve as Directors until the first annual meeting of the members-at-large, or until their successors are elected and qualified, are:

<u>NAME</u>	<u>ADDRESS</u>
Eugene McDaniel	P.O. Box 157 Buies Creek North Carolina 27506
Amos R. Sexton	P.O. Box 802 Ruston, Louisiana 71270
Lawson W. Barber	Route 11, Box 796 Sanford, North Carolina 27330

ARTICLE VIII

The Board of Directors is empowered to remove and/or dismiss any director and/or officer found acting in a prejudicial manner to the welfare of the corporation by a two-thirds majority vote of the entire Board of Directors.

ARTICLE IX

Each person now or hereafter a Director or Officer of the corporation (and his heirs, executors and administrators) shall be indemnified by the corporation against all claims, liabilities, judgments, settlements, costs, and expenses, including all attorneys' fees, imposed upon or reasonably incurred by him in connection with or resulting from any action, suit, proceeding or claim to which he is or may be made a party by reason of his being or having been a Director or Officer of the corporation (whether or not a Director or Officer at the time such costs or expenses are incurred by or imposed upon him), except in relation to matters as to which he shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of his duties as such Director or Officer. In the event of any other judgment against such Director or Officer or in the event of a settlement, the indemnification shall be made only if the corporation shall be advised, in case none of the persons involved shall be or have been a Director, by the Board of Directors of the corporation, and otherwise by independent

counsel to be appointed by the Board of Directors, that in its or his opinion such Director or Officer was not guilty of gross negligence or willful misconduct in the performance of his duty, and in the event of a settlement, that such settlement was or is in the best interest of the corporation. If the determination is to be made by the Board of Directors, it may rely as to all questions of law on the advice of independent counsel. Such right of indemnification shall not be deemed exclusive of any rights to which he may be entitled under any bylaw, agreement, vote of members, or otherwise.

ARTICLE X

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Articles 3 and 4 hereof. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE XI


Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the

payment of all liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such a manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) as the Board of Directors shall determine.

The names and addresses, including street and number, if any, of each Incorporator are:

<u>NAME</u>	<u>ADDRESS</u>
John H. Toole	818 S. Lee Street Alexandria, Virginia 22314
William R. Chambers	8500 Redwood Drive Vienna, Virginia 22180
H. Glenn White, III	22A E. Howell Avenue Alexandria, Virginia 22301

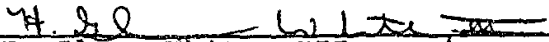
IN WITNESS WHEREOF, we hereunto subscribed our names
this 5th day of January, 1983.



John H. Toole



William R. Chambers



H. Glenn White, III

STATE OF VIRGINIA

COUNTY OF VIRGINIA

I, the undersigned, a Notary Public in and for the County and State aforesaid, do certify that John H. Toole, William R. Chambers and H. Glenn White, III, whose names are signed to the foregoing Articles of Incorporation, bearing date on the 5th of January, 1983.

Margaret E. Albrecht
Notary Public

My Commission Expires:

January 23, 1984

Originally Commissioned as:
MARGARET E. CREMER

BY-LAWS
OF
AMERICAN DEFENSE FOUNDATION, INC.

ARTICLE I - OFFICES

The principal office of the corporation shall be located in the State of Virginia. The corporation may have such other offices, either within or without the State of Virginia as the Board of Directors may designate or as the business of the corporation may from time to time designate.

ARTICLE II - MEMBERS

1. ANNUAL MEETING.

The annual meeting of the members shall be held each year beginning with the year 1984 on the second Tuesday in January for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

2. SPECIAL MEETINGS.

Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or by the directors, and shall be called by the president at the request of the members constituting not less than 10 percent (10%) of the total members of the corporation entitled to vote at the meeting.

3. PLACE OF MEETING.

The directors may designate any place, either within or without the State unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the directors. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or without the State unless otherwise prescribed by statute, as the place for holding such

meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation.

4. NOTICE OF MEETING.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears in the corporation's membership records, with postage thereon prepaid.

5. VOTING LISTS.

The officer or agent having charge of the corporate membership records shall make, at least ten days before each meeting of the members, a complete list of all of the members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of each, which list, for a period of 10 days prior to such meeting, shall be kept on file at the principal office of the corporation and shall be subject to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting. The original membership list shall be prima facie evidence as to who are the members entitled to examine such list or to vote at the meeting of the members. The meeting shall, on the demand of any member, in person or by proxy, be adjourned until the requirements are complied with.

6. QUORUM.

At any meeting of the members a majority of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the members. If less than said number of members are represented at a meeting, a majority of members present may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business which might have been transacted at the meeting as originally notified may be transacted. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

7. PROXIES.

At all meetings of the members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

8. VOTING.

Each member entitled to vote in accordance with the terms and provisions of the Articles of Incorporation and these by-laws shall be entitled to one vote, in person or by proxy. Upon the demand of any member, the vote for directors and any question before the meeting shall be by ballot. All elections for directors and all other questions shall be decided by majority vote except as otherwise provided by the Certificate of Incorporation or the laws of this State.

9. ORDER OF BUSINESS.

The order of business at all meetings of the members shall be as follows:

1. Roll call.
2. Proof of notice of meeting or waiver of notice.
3. Reading of minutes of preceding meeting.
4. Reports of officers.
5. Reports of committees.
6. Election of directors.
7. Unfinished business.
8. New business.

10. INFORMAL ACTION BY MEMBERS.

Unless otherwise provided by law, any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

ARTICLE III - BOARD OF DIRECTORS

1. GENERAL POWERS.

The business and affairs of the corporation shall be managed by its Board of Directors. The directors shall in all cases act as a Board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation, as they may deem proper, not inconsistent with these by-laws, the Articles of Incorporation and the laws of this State.

2. NUMBER, TENURE AND QUALIFICATIONS.

The number of directors of the corporation shall be at least three (3), but may be more as determined by the members from time to time. Each director shall hold office until the next annual meeting of the members and until his successor shall have been elected and qualified.

3. REGULAR MEETING.

A regular meeting of the directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of the members. The directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

4. SPECIAL MEETINGS.

Special meetings of the directors may be called at the request of the president or any director. The person or persons authorized to call special meetings of the directors may fix the place for holding any special meeting of the directors called by them.

5. NOTICE.

Notice of any special meeting shall be given at least 10 days previously thereto by written notice delivered personally, or by telegram or mailed to each director at his business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

6. QUORUM.

At any meeting of the directors a majority shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

7. MANNER OF ACTING.

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the directors.

8. ACTION TAKEN WITHOUT A MEETING.

Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the directors.

9. NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board for any reason except the removal of directors with cause may be filled by a vote of a majority of the directors then in office, although less than a quorum exists. Vacancies occurring by reason of the removal of directors without cause shall be filled by vote of the members. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his predecessor.

10. REMOVAL OF DIRECTORS.

Any or all of the directors may be removed for cause by vote of the members or by action of the Board. Directors may be removed without cause only by vote of the members.

11. RESIGNATION.

A director may resign at any time by giving written notice to the Board, the president or the secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

12. COMPENSATION.

No compensation shall be paid to directors, as such, for their services, but by resolution of the Board a fixed

sum and expenses for actual attendance at each regular or special meeting of the Board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

13. PRESUMPTION OF ASSENT.

A director of the corporation who is present at a meeting of the directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

14. EXECUTIVE AND OTHER COMMITTEES.

The Board, by resolution, may designate from among its members an executive committee and other committees, each consisting of three or more directors. Each such committee shall serve at the pleasure of the Board.

ARTICLE IV - OFFICERS

1. NUMBER.

The officers of the corporation shall be a president, vice president, secretary and treasurer each of whom shall be elected by the directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

2. ELECTION AND TERM OF OFFICE.

The officers of the corporation to be elected by the directors shall be elected annually at the first meeting of the directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent elected or appointed by the directors may be removed by the directors whenever in their

judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

4. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the directors for the unexpired portion of the term.

5. PRESIDENT.

The president shall be the principal executive officer of the corporation and, subject to the control of the directors, shall supervise and control the technical operation of the corporation. He may sign any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by these by-laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the directors from time to time.

6. VICE PRESIDENT.

In the absence of the president, or in the event of his death, inability or refusal to act, the vice president shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions placed upon the president. The vice president shall perform such other duties as from time to time may be assigned to him by the president or by the directors.

7. SECRETARY.

The secretary shall keep the minutes of the members' and of the directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws or as required, be custodian of the corporate records and of the seal of the corporation and keep a register of the post office address of each member and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the directors.

8. TREASURER.

If required by the directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these by-laws and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the directors.

9. SALARIES.

The salaries of the officer shall be fixed from time to time by the directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE V - CONTRACTS,
LOANS, CHECKS AND DEPOSITS

1. CONTRACTS.

The president or vice president may enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, except as confined by the directors.

2. LOANS.

No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name without the endorsement of either the president or the vice president unless expressly authorized by a resolution of the directors. The corporation shall have the power to borrow funds on the personal credit of its officers and directors if authorized by a resolution of the directors.

3. CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by the president or vice president of the corporation unless and until specifically changed by resolution of the directors.

4. DEPOSITS.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the

corporation in such banks, trust companies or other depositories as the directors may select.

5. DISTRIBUTION OF MONIES.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in its Articles of Incorporation.

6. DISBURSEMENT OF ASSETS UPON DISSOLUTION OF THE CORPORATION.

All assets of the corporation shall be disbursed as provided in Article XI of the corporation's Articles of Incorporation.

ARTICLE VI - FISCAL YEAR

The fiscal year of the corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

ARTICLE VII - SEAL

The directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation, the state of incorporation, year of incorporation and the words, "Corporate Seal."

ARTICLE VIII - WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any member or director of the corporation under the provisions of these by-laws or under the provisions of the Articles of Incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX - AMENDMENTS

These by-laws may be altered, amended or repealed and new by-laws be adopted by a majority vote of the members at any annual meeting of the members when the proposed amendment has been set out in the notice of such meeting.

Dated: _____

Affidavit of
Eugene "Red" McDaniel

ATTACHMENT 2

1. I, Captain Eugene "Red" McDaniel U.S.N., retired, am President of the American Defense Foundation ("ADF")

2. ADF is a nonprofit, nonstock corporation organized in the Commonwealth of Virginia. ADF is exempt from federal income taxation because it is a social welfare organization described in Internal Revenue Code § 501(c)(4). Its principal offices are located in Alexandria, Virginia.

3. ADF is and always has been a nonpartisan organization.

4. ADF promotes strong national defense legislation while working to increase America's awareness of threats to freedom. Its programs include a grass-roots advocacy project, a voter registration drive for American military personnel and a national speakers bureau.

5. ADF does not support, endorse or oppose candidates or political parties.

6. ADF has made no contributions to any candidates for federal office.

7. ADF has made no expenditures advocating the election or defeat of any federal candidates.

8. ADF has conducted and continues to conduct nonpartisan registration and get-out-the-vote drives for military personnel and their families.

9. ADF has never conducted a partisan registration or turn out program.

10. ADF has no knowledge of or role in any activities of the National Right to Life Committee, Coalition for America or the Good Government Committee in 1992 Georgia elections. ADF has not coordinated any of its programs with these organizations.

11. As founder of ADF, I did encourage voter turn out through public appearances and radio advertisements in Georgia as part of ADF's program of encouraging participation in the American political process by all military personnel. I did not encourage any voters or potential voters to turn out for or against any candidate or political party.

12. ADF did accept a \$30,000 donation from the National Republican Senatorial Committee. At the time of the acceptance of the donation, ADF clearly expressed that it would not use these

funds to support or oppose any candidate for federal office nor for any partisan political activity.

Eugene B. McDaniel
Eugene "Red" McDaniel

Subscribed and sworn before me
this 22 day of June, 1993.

Leslie A. Dennis
NOTARY PUBLIC

My Commission Expires: February 28, 1993

Internal Revenue Service
District Director

Department of the Treasury

dated AUG 23 1983

Employer Identification Number

Internal Revenue Code
Section 501(c)(4)

Accounting Period Ending
12-31

Form 990 Required: ☒ Yes ☐ No

Purpose to Contact:

M. Moore/cm
Contact Telephone Number:
(404) 221-4516
File Folder No.:
580033787

► American Defense Foundation, Inc.
P.O. Box 160
Dunn, North Carolina 28334

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under the provisions of the Internal Revenue Code section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment or other Federal taxes, please address them to this office.

If your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. Also, you should inform us of all changes in your name or address.

The block checked at the top of this letter shows whether you must file Form 990, Return of Organization Exempt from Income Tax. If the Yes box is checked, you are only required to file Form 990 if your gross receipts each year are normally more than \$10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law provides for a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay. This penalty may also be charged if a return is not complete. So, please make sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Internal Revenue

(over)

Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in Code section 513.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Michael J. Murphy
District Director

Enclosures:
Form 990

See attached.

INFORMATION NEEDED

For tax years ending on and after December 31, 1982, organizations whose gross receipts are not normally more than \$25,000 are excused from filing Form 990. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990.

Because you are not an organization described in section 170(c) of the Code, donors may not deduct contributions made to you. You should advise your contributors to that effect.

American Defense Foundation

* * * * *

Eugene B. McDaniel
President

July 8, 1992

Michael H. McDaniel
Executive Director

Board of Directors

Hon. Gary A. Lee

Stuart C. Johnson

H.J. "Kip" Koshler

Glen T. Urquhart

Board of Advisors

Sen. Steve Symms

Gov. Pete Wilson

Rep. Guy Vander Jagt

Rep. Gerald Solomon

Rep. Bob McEwen

Hon. Jeremiah Denton

Mr. Ron Brown
Chairman
Democratic National Committee
430 South Capitol Street, SE
Washington, DC 20003

Dear Mr. Brown:

The purpose of this letter is to seek a meeting with you to discuss the American Defense Foundation's 1992 "Defend America: Vote!" military voter program. ADF has operated this military voter registration and turnout effort every election cycle since 1984. Due to such efforts, ADF has helped increase the military vote from less than 50% in 1984 to nearly 64% in 1988.

Missouri Congressman Ike Skelton is quite familiar with our program and would be a good reference for the work we have done in this area. We at ADF believe it is has been an effective program and are proud of its accomplishments, but we know its effectiveness can be improved.